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# The Economy

Discussion Document

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## Introduction from National Party Leader Simon Bridges

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A strong economy delivers higher living standards, higher incomes and greater choice and opportunities for New Zealanders and their families. New Zealand needs a strongly growing economy if we want a world-class health system, better education for our kids and the modern infrastructure network we desperately need.

As a former Minister of Economic Development and Associate Minister of Finance I'm proud of the work the previous National Government did to support businesses and the economy, particularly through the Global Financial Crisis and the Canterbury and Kaikoura earthquakes. I also know we didn't get everything right. That's why we are running the ruler over all of our policies so New Zealanders know we have the best ideas for New Zealand heading into next year.

New Zealand's economy is driven by hardworking small business owners. Every Government should do what it can to reduce

costs and uncertainty so that our small businesses have the confidence to take risks, invest, hire new staff and lift wages. This document raises a number of ideas to help restore business confidence and revive our economy.

New Zealanders' productivity and income levels have fallen behind countries we once had similar income levels to, like Australia, the United States and leading European economies. This paper provides some new ideas on how we can turn around New Zealand's slowing economy and grow the incomes of New Zealanders.

One area I will ensure National places a greater emphasis on than we ever have is the cost of living. I realise New Zealand families are finding it increasingly difficult to manage the rising cost of housing, rents, petrol and electricity. This document puts forward a range of ideas to help reduce the cost of living by focusing on promoting more competition, reducing taxes and slashing excessive regulation and red tape.

New Zealand needs a strongly growing economy if we want a world-class health system, better education for our kids and the modern infrastructure network we desperately need.

I will ensure National delivers tax relief to hardworking New Zealanders by indexing tax thresholds to inflation, repealing the regional fuel tax and introducing no new taxes in our first term. I will also ensure taxpayer money is spent more effectively and with greater accountability so that Government spending delivers

measurable and improved outcomes for New Zealanders. National will responsibly pay down debt when the economy is growing so that we are prepared for environmental and economic shocks.

Our bottom line is you.



**Hon Simon Bridges**  
National Party Leader  
Leader of the Opposition





## National's Growth Agenda



"National understands that significantly lifting productivity is the only way to materially improve New Zealanders' living standards. Increasing productivity means we can produce and sell more of what the world wants, at better prices, using fewer resources."

**Paul Goldsmith**  
National's Finance Spokesperson

We believe New Zealand is the best little country in the world. To keep it that way, we need one of the best economies in the world. A strong economy means more, higher paying jobs. It means more opportunities for Kiwis to get ahead, to look after themselves and their families, and to afford the good things in life. A strong economy also allows us to deliver world-class public services and to help those in need.

National's Growth Agenda will aim towards:

1. Responsible economic management that delivers world-class public services
2. A more productive, competitive economy that lifts household incomes

3. A lower cost of living for all New Zealanders

Improving productivity remains New Zealand's most important economic challenge and the ideas discussed in this paper provide ways to meet that challenge, with the goal of raising incomes for all New Zealanders.

National understands that significantly lifting productivity is the only way to materially improve New Zealanders' living standards. Increasing productivity means we can produce and sell more of what the world wants, at better prices, using fewer resources.

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We recognise there is not one silver bullet to driving higher levels of productivity. What is needed is a large number of changes that all support businesses to hire extra people or invest in extra equipment and technology.

New Zealanders' living standards will not improve by simply redistributing what we already have. Instead, we need to be absolutely focused on lifting New Zealand's relatively weak productivity levels. We need a strong, growing economy so that New Zealand families have more in their back pockets and there is sufficient money for core Government services like health, education and infrastructure.

Reducing costs is another way to improve our standard of living. New Zealanders' are only better off if incomes are growing faster than everyday costs. When National was last in Government wages grew twice as fast as the cost of living but those trying to enter the housing market found it tough in many parts of the country.

National considers the best way to reduce cost of living pressures for hardworking New Zealanders is to focus on reducing taxes, promoting efficient and competitive markets and dialling back excessive regulation. This discussion paper will outline some of our ideas around ways to take the pressure off household budgets.

The Government also needs to ensure that tax revenue is spent as wisely as a family spends their weekly income. When a Government taxes carefully and spends effectively it puts itself in the best position to keep Government debt low, so the country is prepared for economic and environmental shocks. National is committed to reducing the tax burden on New Zealand households and targeted, outcome-focused spending.

## New Zealand's economic challenges: What will never change

New Zealand's core economic challenge is to lift our relatively weak productivity. To do that, our economy needs to become more internationally



competitive. The world does not owe us a living. We are a small, isolated country far from global markets, which creates both opportunities and challenges. We don't have the size and scale to produce cars, smart phones, planes and many of the other things we want and need. To afford these things, we rely on selling our products and services to the rest of the world. To compete on the global stage we need to produce world-beating products at competitive prices.

New Zealand is also competing with the rest of the world for skills. If we aren't internationally competitive our best and brightest leave for overseas and our living standards worsen relative to the rest of the world.

New Zealand needs to be an attractive place to do business, to invest, to live and to raise a family. Ongoing success requires an absolute focus on increasing investment to deliver better products, a skilled and willing workforce, innovation, access to global markets and our natural resources, and quality technical and physical infrastructure.

## New Zealand's economic challenges: What is changing

New Zealand has an ageing workforce which will, over time, mean fewer workers will have to support more non-workers. Our Government will increasingly need to turn to innovative solutions to deliver its services in a lower cost and more efficient way. We will need to make sure New Zealanders have enough in their back pockets today to save for a comfortable retirement and can still afford the quality of life they expect.



Technology and globalisation have frequently changed our jobs and the way we've worked. But the pace and scale of change we now face with technologies like artificial intelligence, robotics and cloud computing makes this a particularly pressing issue, and an opportunity for New Zealand. To ensure New Zealand is best placed to deal with automation and technological change we need our training and education systems to be flexible enough to encourage lifelong learning; we need a social welfare system capable of encouraging displaced workers to transition to new jobs; and we need a workplace relations framework centred on productivity, that is flexible enough so our businesses remain competitive on the world stage.

New Zealand is a mixture of urban and rural communities. While many New Zealanders will move to the big cities to take advantage of all that cities have to offer, we want our rural and provincial areas to be dynamic. New Zealand's regional disparities are small compared with the United Kingdom, United States, France and Germany (for example) but we need to ensure that economic growth and job opportunities are shared across all regions, and that the Maori economy continues to grow and flourish.

## What does Government need to do?

National recognises that the Government does not drive the economy. The economy is driven by all of the people who have good ideas, get up early, work hard, invest their time and money, take risks and try to build opportunities for themselves and others. New Zealanders need a Government that backs them to compete on the world stage and provides the foundations they need to get on with doing business.

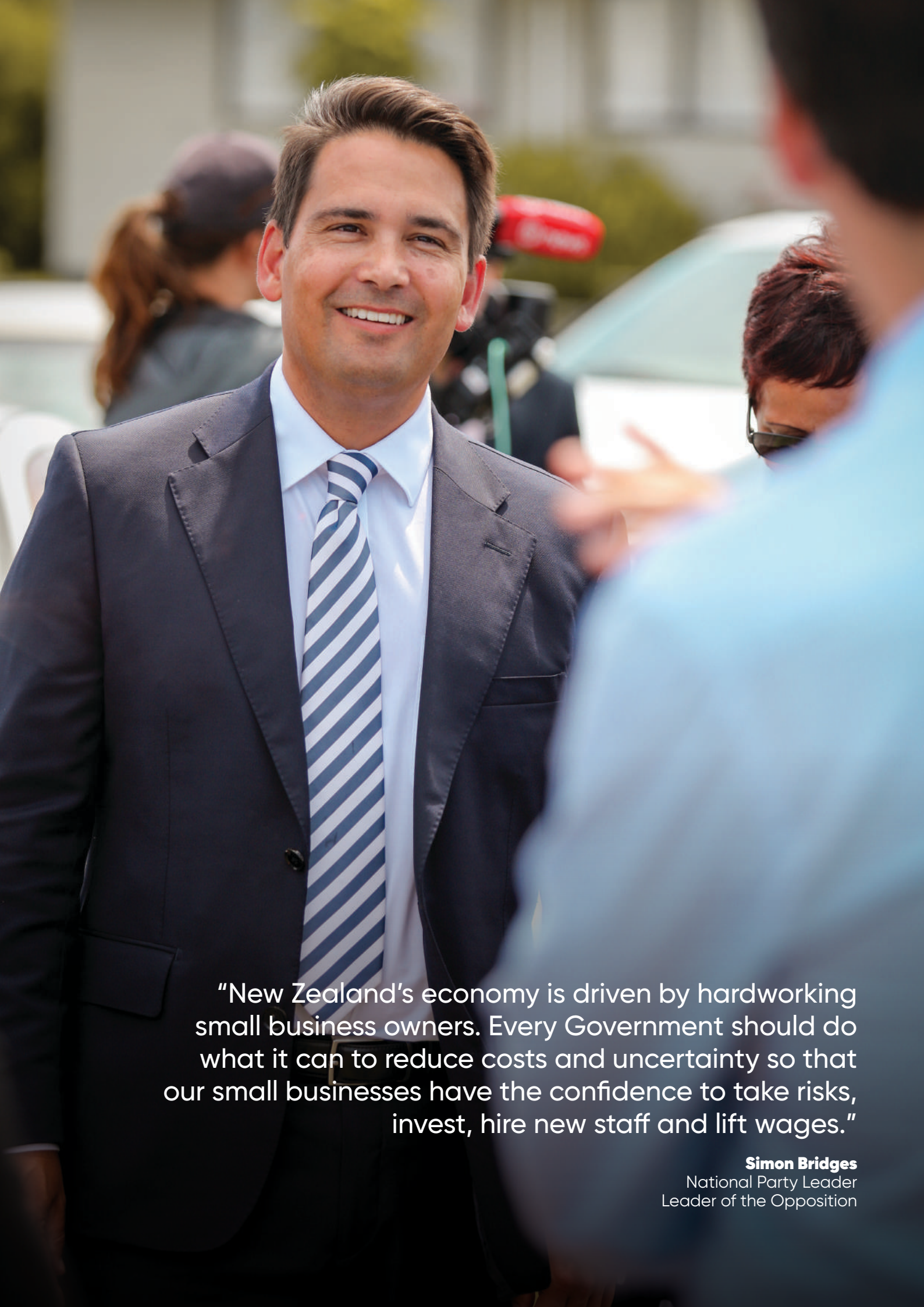
National believes New Zealanders should keep more of what they earn and that the Government has a responsibility to spend the tax it collects carefully and effectively. That is why we believe in Governments being held to account for every dollar spent.

Governments should remain conscious of retaining sufficient headroom to guard against economic and environmental shocks. We should be prepared to incur debt on high quality infrastructure, but not to fund ineffective or untargeted every day spending. Governments should aim for balanced budgets over time so surpluses in the good times offset the bad times.

National will restore confidence and revive our economy so that we can lift our aspirations, both in what we can earn and in what social challenges we can overcome.

A handwritten signature in blue ink that reads "Paul Goldsmith". The signature is stylized with a large, flowing 'P' and 'G'.

**Paul Goldsmith**  
National's Spokesperson for Finance



"New Zealand's economy is driven by hardworking small business owners. Every Government should do what it can to reduce costs and uncertainty so that our small businesses have the confidence to take risks, invest, hire new staff and lift wages."

**Simon Bridges**  
National Party Leader  
Leader of the Opposition



## Responsible economic management delivering world-class public services

A strong, growing economy allows the Government to invest in public services while keeping taxes low. New Zealanders should keep more of what they earn. The Government has a responsibility to spend carefully and deliver results so debt remains low and New Zealand is prepared for economic and environmental shocks.

### Low, fair and efficient taxes

National believes the tax system should incentivise New Zealanders into work and encourage productive activity and investments.

It should also raise taxes as efficiently as possible, with a focus on reducing distortionary behaviour. We strongly support New Zealand's broad-base, low-rate tax framework.

Incomes only rise in real terms when after-tax income growth is higher than inflation. National believes New Zealanders should keep more of what they earn. Tax indexation addresses 'bracket creep' where people move into higher tax brackets without a 'real' rise in incomes. Indexing tax thresholds would mean that every

three years the tax thresholds would increase automatically to keep them in line with inflation. The changes would make a real difference. Assuming inflation of 2 per cent, someone on the average wage would be \$430 a year better off after the first adjustment, \$900 after the second and \$1,400 after the third.

Savings (including retirement savings) are currently taxed relatively heavily while borrowing to invest is taxed relatively lightly. This is exacerbated in the current environment of low interest rates and steady but positive inflation. Savings are taxed at the full marginal rate on their entire nominal returns, including the inflation component. Meanwhile, borrowers are able to deduct their full interest payments, including the inflation component, from their

investment income to lower after-tax returns. Not accounting for inflation in the tax system creates distortions in economy-wide investment and savings decisions and the allocation of capital. We are seeking feedback on whether we need to rethink this approach.

We also want to address high effective marginal tax rates which reduce the incentive to work. Currently, some New Zealanders face effective marginal tax rates close to 100 per cent for every extra dollar earned due to the combination of tax, student loan repayments and abatement rates on benefits such as the accommodation supplement and Working for Families' tax credits. The tax and transfer system requires a fine balance between low effective marginal tax rates, fiscal costs, adequate income levels for low-income families and simplicity/low compliance costs.

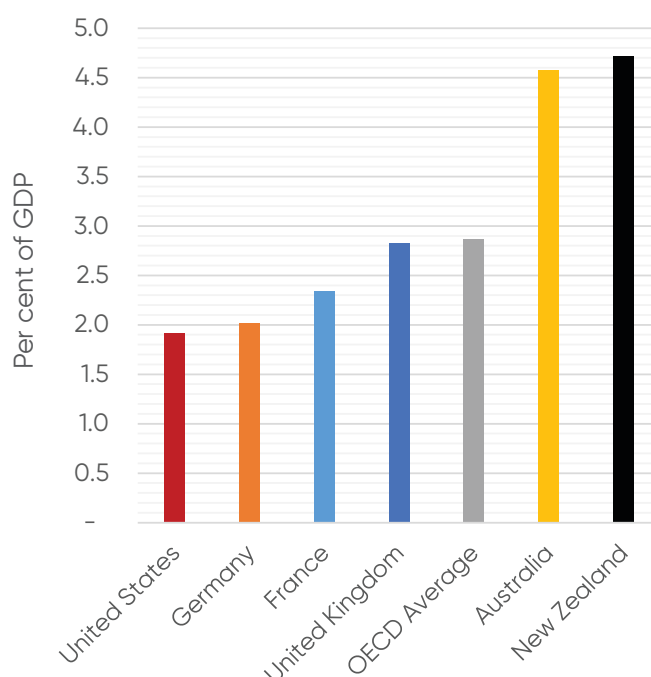
National also understands the importance of a business environment that is internationally competitive. Tax is one of the single largest costs for businesses and can be the difference between a business surviving or not. New Zealand has one of the highest company tax rates in the OECD at 28 per cent and we collect the fourth largest share of tax in the OECD from companies. New Zealand also has significantly higher effective marginal tax rates for companies than the OECD average, partly due to the absence of an accelerated depreciation scheme on business assets common in other countries.

- National supports a broad-base, low-rate tax system.
- National will index tax thresholds to the cost of living.
- National will not introduce any new taxes during our first term.

### We want your thoughts on the following:

- Is there merit in allowing savers to deduct the inflation component from their interest income to help address New Zealand's low level of private savings and reduce the high effective tax rates on savings?
- Is New Zealand's company tax rate becoming uncompetitive?
- Is there merit in introducing accelerated depreciation for business assets?
- Is there merit in targeted tax relief for small businesses, like exists in Australia?

## Corporate Tax as per cent of GDP



Source: OECD, latest available data for each country

## Effective, targeted spending

National believes that governments should not be measured by how much money they spend but on the outcomes they achieve. Tax revenue needs to be treated with respect for those who earned it. It is not enough to spend more money if there are not clearly defined, measurable and achievable outcomes.

National has a strong record of focusing government agencies on achieving positive results. The current Government has systematically removed targets for public agencies, which has reduced accountability and is already resulting in worse outcomes for New Zealanders who interact with the public sector.

It is a core responsibility of the Treasury to provide economically sound advice on the effectiveness of government spending and identifying and reducing wasteful spending. The Treasury has lost its focus on effectively analysing government spending and not focused enough on driving higher productivity levels in the public sector.

## Tax revenue needs to be treated with respect for those who earned it.

National pioneered the Social Investment approach. Social Investment is designed to help New Zealanders achieve better long-term outcomes, including those at the very hard edge whose lives are entangled in complex, difficult issues. These are New Zealanders who spend their entire lives on welfare, have families trapped in a life of crime, are dropping out of school without being able to read, or are caught in the intergenerational cycle of family violence.

National wants to do more for these New Zealanders because we want more for them. We want them to live fulfilling, independent lives where they can reach their full potential – rather than simply surviving. Our view is that we have to shift the whole system and invest more upfront in a highly-targeted way that directs much-needed support to those in need.

National also introduced targets that focused public agencies on reducing welfare dependency, child hospitalisations, the number of children experiencing physical or sexual abuse, serious crime victimisations, waiting times for social housing and increasing numeracy and literacy of children and qualifications of 25–34 year olds.

- National will reintroduce targets in health, education and law and order as they have a proven track record of delivering better outcomes for New Zealand families.
- National will continue the proven Social Investment approach to Government spending, which this Government has largely abandoned.
- National will consider amending the Public Finance Act to improve accountability and reporting of results of all Government spending as part of annual processes.
- National will ensure the Treasury has a greater focus on providing sound advice on the effectiveness of Government spending, identifying wasteful spending and driving higher productivity in the public sector.

### We want your thoughts on the following:

- Were the Better Public Service Targets appropriate or should some be replaced with other measures?

## Responsible, sustainable debt levels

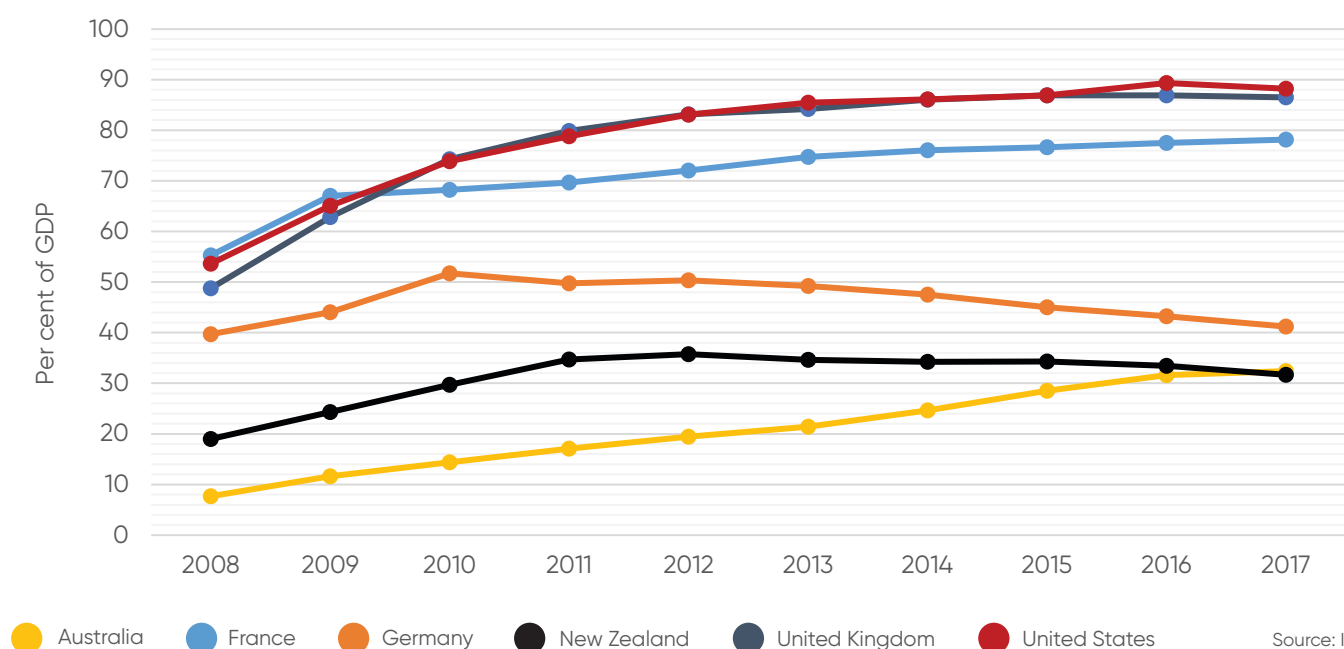
National believes the Government should reduce our overall debt burden in the good times so that we are well prepared for economic shocks, such as an international downturn or national disaster. Higher debt today must be paid for by higher taxes in the future. If the Government does not pay down debt when times are good, and it increases debt when times are bad, then government debt would continually rise. That is not fair for future generations.

In National's last term in Government we managed to keep debt low despite managing a Global Financial Crisis and the Canterbury and Kaikoura Earthquakes, while other countries debt levels went much higher. Of particular concern is the deteriorating state of fiscal and economic management. The Government has already loosened its debt limit from 20 per cent of GDP to 25 per cent of GDP – giving it an additional \$17 billion of debt headroom in 2023. We will need to wait until next year before determining our debt target, as conditions are changing rapidly.

We will not hesitate to borrow to invest in quality infrastructure, particularly when money is cheap. The critical thing, however, is the quality of the spending. New Zealand has the capacity to increase its investment in infrastructure within reasonable debt parameters, particularly if we are innovative in how we fund it, incorporating private sector investment.

- National believes the Government should reduce net debt when the economy is growing so there is capacity to borrow when times are tough.
- National believes the Government should aim for balanced budgets over time so surpluses during the good times offset deficits during the bad times.
- National believes it makes sense to use long-term debt financing to fund infrastructure that benefits future generations.

## Central Government Debt (Per cent of GDP)



## Sustainable superannuation

National firmly believes that New Zealanders deserve to be well supported in retirement after working hard and paying taxes their entire lives. The good news is that New Zealanders are living longer, healthier lives. In the past 60 years, life expectancy has risen by 12 years and is forecast to increase 1.3 years every decade for the remainder of this century.

National wants to ensure that New Zealanders can access superannuation for their retirement. We want to ensure that New Zealanders are supported to work longer if they choose and are supported to transition careers, in particular between the ages of 50 to 70.

In 2017 National signalled we would make changes to the superannuation scheme



to ensure its long-term sustainability. We announced changes that would lift the age of entitlement from 65 to 67, starting in 2037. These changes will save \$4 billion per year, and give everyone certainty about saving for their retirement.

An ageing population means the work-to-retirement dependency ratio is forecast to decrease from 5:1 today to 2:1 by 2030 and the cost of superannuation is forecast to grow from

about 4.5 per cent of GDP in 2018 to 8.0 per cent by 2060. When the current retirement age was set at 65 in 2001, a retiree could expect to spend about a fifth of their life receiving superannuation. That has since increased to around a quarter of their life. Those eligible for superannuation at 67 in 2040 can still expect to receive it for a quarter of their life on average.

### We want your thoughts on the following:

- Should we consider changing the default settings on KiwiSaver funds from 'conservative' to either 'balanced' or 'growth' funds?
- Should we consider requiring KiwiSaver providers to send personalised statement twice a year showing fees, returns and the value of their KiwiSaver?

- National will ensure the superannuation scheme remains sustainable by progressively increasing the age of entitlement from 65 to 67, starting in 2037.
- National proposes to increase the required residency for a New Zealand citizen or permanent resident from 10 to 20 years.
- National proposes allowing employer contributions to continue beyond the age of 65 if the individual chooses to remain in the workforce.



## A more productive and competitive economy that lifts household incomes

National's goal is to significantly lift productivity growth so New Zealanders incomes can catch up to leading OECD countries. Productivity growth has averaged just 0.7 per cent a year over the last ten years. We want to lift New Zealand's productivity growth rate to at least 1.7 per cent a year.

National wants a country where New Zealanders have the opportunity to get good jobs with high incomes. If they choose to spend some time overseas, we want them to return one day with their experiences and ideas to make New Zealand a better place. To provide New Zealanders with more opportunities and attract the best and brightest from overseas we need to be internationally competitive. We back our businesses to compete on the world stage by providing them with an operating environment that allows them to flourish.

The only way to materially improve the living standards of New Zealanders over time is to become more productive. Higher productivity means more in the back pockets of New Zealand families. New Zealand's productivity is

approximately 30 per cent below the top half of the OECD and 25 per cent below Australia. New Zealanders also work more hours a year than any countries in the top half of the OECD. In 2017, for example, workers in Denmark, Germany, the Netherlands and Norway worked 300 hours less than New Zealanders.

Since the late 1990s, New Zealand's productivity growth rates have been similar to that of the top half of the OECD. We need to be doing better to catch up and close the gap. That's hard. It requires a relentless focus on productivity growth.

National is ambitious for New Zealanders and believes we should target higher rates of productivity in order to close the income gap

with countries like Australia, the United States, Canada and leading European economies.

The previous National Government consulted widely to develop its Business Growth Agenda, a suite of measures designed to create a more productive and competitive economy. It had considerable input and buy-in from the business community. We believe this framework remains sound. This discussion document asks whether this framework is still fit for purpose and what areas we should rethink or enhance. We start by identifying what New Zealand businesses need in order to grow. We break it down to six areas.

They need:

1. Access to capital through an increased flow of investment;
2. A skilled and willing workforce;
3. A strong innovation framework and creative sector;
4. Access to natural resources;
5. Access to global markets; and
6. World-class infrastructure.

These six key areas will also contribute to overarching goals of strengthening regional New Zealand and ensure a growing, productive Maori economy.

## Increasing the flow of investment

Investment is necessary for economic growth, creating more jobs and raising family incomes. Investment brings the capital that firms need to establish new operations and allows them to expand their businesses, while also allowing them to meet the costs of accessing new markets. Without investment, New Zealand will not experience job growth, productivity improvements or an environment that enable firms to grow and export.

New Zealand has a low level of capital investment relative to labour, known as capital shallowness. Increasing the level of direct

investment is pivotal in creating a stronger economy with more jobs, higher productivity and higher wages.

Increasing capital investment requires growth in New Zealand's equity and venture capital markets. We also want to encourage mum and dad investors to participate in our capital markets so they have more when they retire.

Currently New Zealand has the most restrictive foreign investment regime in the OECD. Too much restriction is likely a major contributor to our capital shallowness and low productivity levels. The Government has unfortunately put more barriers in the way of direct investment with more restrictive overseas investment rules and have signalled greater ministerial discretion in investment decisions.

We know that repealing the Government's bad policies is not enough and that more needs to be done to encourage capital to New Zealand, grow the level of investment in our economy and boost productivity. Firms are more likely to invest in New Zealand when the political and regulatory environment is stable and predictable. They are frightened by left-field, unexpected decisions like the decision to ban new oil and gas exploration.

Governments, of course, have the right to change policies. But when long-term investments are involved consultation must be genuine. Businesses should have an opportunity to request proper economic modelling on the impact of those decisions, and how Government decisions will help meet any international commitments made. When jobs and productivity are on the line these decisions need to be made based on sound evidence that they will be beneficial to the economy.

Getting paid on time is a big issue for New Zealand small business owners. Long delays in payment can inhibit their ability to invest and expand. In the past year, only half of all small businesses were cash flow positive in any given month. National wants to find ways to ease the stress for small business owners and ensure healthier cash flows. We believe the Government should lead by example, instead of punishing others into compliance.

Without investment, New Zealand will not experience job growth, productivity improvements or an environment that enable firms to grow and export.

National is anticipating the findings of Capital Markets Taskforce 2029, an industry-led initiative aimed at delivering a growth agenda for our capital markets. We look forward to what recommendations the industry themselves have to generate more participation and increase the range of offerings in our capital markets. National wants to improve settings to bolster our capital markets and attract new and larger listings to the NZX.

**We want your thoughts on the following:**

- Should we amend the Overseas Investment Act to encourage greater investment in New Zealand businesses and productive assets?
- What changes can we make to improve the timeliness of Overseas Investment Office decisions?
- Should there be a level playing field for foreign investment in forestry and farming?
- Does the current regulatory framework provide sufficient safeguards and certainty to those who invest in New Zealand in good faith that the Government will not make decisions without an opportunity for input on those decisions?

- National is committed to repealing restrictions the Government has introduced on the flow of foreign capital into New Zealand businesses.
- National will require all Government departments and Government agencies to pay their contractors on time and within 30 days.
- National will establish a 'Small Business Payments Guarantee' – a voluntary initiative committing large New Zealand businesses and not-for-profits to ensure New Zealand small businesses are paid on time and within 30 days.
- National will consider fully the findings and recommendations of Capital Markets Taskforce 2029.



## A skilled and willing workforce

Growing businesses need access to willing and skilled workers, and to ensure New Zealand adapts to changes in the workplace we require a flexible labour market. A successful economy demands high skilled workers who are able to drive innovation. But it also requires people who are willing to turn up at dawn to pick the fruit and serve the coffee. It needs tradespeople to build our houses, as well as highly trained medical staff to improve our health.



National believes in flexible workplaces where workers get a fair deal and businesses are productive. National supports an enterprise-level approach where employees and employers are trusted to work employment matters out themselves in good faith.

The Government has introduced a range of union-friendly industrial law changes. The cumulative impact of these changes will continue to dampen economic growth, further hurt business confidence, stifle job opportunities for vulnerable employees and return us to 1970s-style adversarial union activity. It will be bad for employees and employers. Changes included removing 90-day trials for businesses with more than 20 employees and allowing union officials to enter workplaces unannounced. National knows policies like

90-day trials work because they encourage businesses to take on new staff that they otherwise might not. 90-day trials reduce the risk for businesses and encourage job creation.

A growing number of workers are part time or working flexible hours because of changing work environments. Workers and employers will benefit from laws that allow them both to adapt to the changing workplace.

Lifting skills and educational attainment is key to improving productivity and living standards. As well as lifting the level of skills, we need to better match the skills New Zealanders have with the job market. National supports a high quality tertiary education system and sees a place for industry-based apprenticeships as well as polytechnics. And we understand that to retain internationally ranked universities we need to invest in quality as well as student support. More of National's education plan will be outlined in our Education Discussion Document later this year.

We also recognise the need to support career transitions, particularly in the 50-70 year age group. At present, these New Zealanders are underutilised and increasingly physically able. They have plenty to offer to the economy and there needs to be a greater ability for them to transition to new, more productive careers.

Immigration can help to deliver a more skilled and willing workforce. National understands the benefits of sound immigration policy from an economic, social and cultural perspective. The skilled migrant levels should match industry needs and the administration of visas needs to be prompt and predictable. New Zealanders must be at the front of the queue for the jobs created by our growing and changing economy, but immigration will remain an important complement to that growth.

The final component to a skilled and willing workforce is striking the right balance between supporting those out of work and incentivising those to get off welfare into work. Under the watch of the current Government, the number of people on benefits has skyrocketed despite inheriting a low unemployment rate and businesses needing more labour. We believe the Government has made it too easy to remain on

welfare by reducing the incentive for people to get into work. There need to be consequences for not working when you are able. There should not be obligation-free welfare.

We want to make changes to clarify the purpose of unions. While National agrees that unions generally serve a useful purpose, large state sector unions have a near-monopoly on representing their members. Whereas in the private sector the majority of workers are not union members. The value of a union's role is no longer clear, both to its members and their employers. National believes in the contestability of representation and support, and that the choice of whether a worker uses a lawyer, union, advocate or mediator is for the individual to make.

There is also a growing concern from the public about the preferential treatment union members receive in public sector wage negotiations. National believes New Zealanders should not be punished for not belonging to a union, particularly given the close relationship between unions and the Labour Party. Unions enjoy 20 per cent voting rights on Labour Party leadership and provide significant levels of election funding. National believes there is a need for clear rules on what is and is not acceptable. We believe changes are needed to reduce the perception of a conflict of interest in public sector pay negotiations and reduce discrimination against non-union members.

- National will repeal recent Government changes made to the Employment Relations Act including reinstating 90-day trial periods, to provide flexibility for employers and workers to navigate the modern workplace.
- National will remove the ability for Governments to give preferential pay agreements to union members in public sector wage negotiations.

### **We want your thoughts on the following:**

- What should we do to encourage and incentivise businesses to take the risk of employing new staff?
- Do you support youth rates; if so, what is an appropriate level for youth rates?
- Do you support a framework being set up in which non-union organisations can represent workers?
- Should we introduce a straightforward disputes process for employers and workers that is efficient, timely and low cost?
- What could be done to help those who wish to work later in life remain in the workforce?
- What should we do to incentivise people to get off of welfare and into work?
- Is the balance right between encouraging university education relative to trades-training and apprenticeships?

## **Investing in innovation and the creative sector**

New Zealand businesses have always been innovative, but relatively few have been heavy investors in research and development (R&D). This is largely because most of our businesses are small, and struggle to attain the resources required. Access to a strong and vibrant domestic science and technology sector is one way to help New Zealand firms to grow into larger, more sophisticated businesses.

National believes we need to incentivise risk-taking and encourage New Zealanders to invest in new products and ideas. The Government has introduced a tax credit model while phasing out the growth grants that the National Government had developed through Callaghan Innovation. The tax credit model isn't perfect but we are also mindful that investors need certainty and consistency.

We also recognise that the underlying purpose of incentivising research and development is to grow our New Zealand businesses and lift incomes for New Zealand families. Turning R&D into higher incomes requires the commercialisation of that research. New Zealand struggles to commercialise what research we do undertake and National is focused on improving policy settings in this area.



New technology, increasing automation and artificial intelligence are collectively upending our daily lives and changing how we work. Through this change there is a growing recognition of the value of creativity. Creativity is the cornerstone of the arts sector but it also helps to stimulate new ideas and innovation in the wider economy, such as development of apps and gaming. The economic value of the creative sector has boomed in New Zealand; helped along by screen grants. There are over 130,000 New Zealanders working in creative jobs

or jobs supporting the creative sector.

While our tertiary education system performs reasonably well, National will build on this by investing in science to drive quality research at our universities. We will do this by attracting the best academics from around the world to ensure high quality research and ensure our students learn from the best.

National believes R&D and adoption of new technologies including in the field of biotechnology is going to be key to helping agriculture reduce its greenhouse gas emissions.

For example, AgResearch's High Metabolisable Energy ryegrass is not only resistant to drought but can help produce up to 23 per cent less methane from livestock, lower urinary nitrate leaching and lower emissions of another greenhouse gas, nitrous oxide. However, due to prohibitive rules around genetic modification trials in New Zealand, the AgResearch team has taken its research to America to trial.

New Zealand's law and regulation on biotechnology is now 20 years old. Gene technologies have changed rapidly and become much more precise. The risks are less and better understood making the current approach too restrictive.

- National proposes updating restrictions on biotechnologies in consultation with New Zealanders to bring them into line with the latest science.
- National proposes a new Biotechnology and Innovation Fund to assist in the development of biotechnology, precision agriculture and other innovations in the primary sector.
- National will work to ensure at least one New Zealand University is ranked in the top 50 worldwide.

### We want your thoughts on the following:

- What could be done to help improve the commercialisation of R&D?
- Should National keep the R&D tax credit model, notwithstanding its imperfections, to ensure consistency and certainty for the sector?
- Should National establish a Creative and Technical Industries Industry Training Organisation (ITO)?
- Should National establish small business support hubs for creative sector businesses?

Improving the way we invest, plan, and allocate our resources is critical for future export growth, future prosperity, and adapting to a changing international context.

National also wants a strong and sustainable fishing industry with more jobs and exports. We consider aquaculture to be a key priority for growth. New Zealand is proudly one of the best performing and most sustainable fishing nations in the world. We have the ninth largest exclusive fishing zone in the world and the tenth longest coastline of any country. We export our seafood to more than a hundred countries.

New Zealand needs a far more efficient process for allocating marine space. We want to give existing marine farmers of species like mussels, oysters and salmon greater security of tenure and develop the potential of new species.

## Allowing access to our natural resources

Most successful countries have helped grow their economy by making use of their natural resources. Our closest trading partners, Australia, China and the United States all recognise the need to keep looking for new natural resources.

The current Government thinks we are so rich that we no longer need to keep exploring oil and gas and we no longer need to look for gold or things like rare earth elements needed for hi-tech products. National is not so complacent or reckless. We understand a strong economy requires diversity and the utilisation of its natural resources.

We are also conscious of the pressures on our renewable resources, particularly water. Improving the way we invest, plan, and allocate our resources is critical for future export growth, future prosperity, and adapting to a changing international context. National's approach will be led by technology and with sound environmental and economic outcomes.

- National will reverse the Government's decision to ban new offshore oil and gas exploration, helping to ensure energy self-sufficiency.
- National will rewrite the Resource Management Act (RMA) and look to advance Exclusive Economic Zone (EEZ) reform to enable carbon capture and storage with the intention of keeping more carbon in the ground.
- National opposes banning mining on low-value land.
- National will develop a more efficient process for allocating marine space alongside our RMA reform.

## Aggressively expanding access to global markets

New Zealand is a small country with a domestic market of only about five million people – so we depend on trade for generating greater prosperity. Trade supports over 600,000 jobs across our country, and is responsible for a higher standard of living and better quality of life for New Zealanders.

However, New Zealand has a relatively low exports-to-GDP ratio compared with other small, advanced economies. Lifting our exports will take further improvement but create new jobs and raise incomes. It also means New Zealand has a broader opportunity to be more internationally connected through trade and investment, and greater flows of people and ideas.

Globally connected firms are vital to a strong and growing economy with higher productivity levels as they have access to larger markets and more opportunities. With access to more capital, skills and ideas, globally connected firms are generally more innovative and productive. Generating more global, outward-looking firms is therefore key to creating more jobs and lifting family incomes.



New Zealand still imposes tariffs on a small number of goods entering from abroad. Tariffs of up to 10 per cent apply to products that include some textiles, footwear, processed foods, machinery, steel, and plastic products. These tariffs are effectively a tax on New Zealand consumers and businesses who use these products in their production process. Tariffs drive up the cost of production for New Zealand businesses, raise the cost of living for New Zealand families and create distortions in the allocation of capital.

National has released our International Affairs Discussion Document. Amongst other things, we outlined our intention to set an ambitious trade agenda completing trade deals we have already initiated, launch trade deals where opportunities are arising, and explore emerging markets. We also propose to seek a free trade agreement with the United States as a core priority of New Zealand's trade agenda and to double trade with China by 2030.

### We want your thoughts on the following:

- Should we consider eliminating all remaining tariffs on imports?

- National proposes to seek a free trade agreement with the United States as a core priority of NZ's trade agenda.
- National proposes to commit to doubling our two way trade with China from \$30 billion to \$60 billion over the next decade.
- National will aggressively pursue free trade agreements in new markets.

## Investing in quality infrastructure

High levels of congestion and ageing infrastructure hold back New Zealand's productivity and increase the cost of doing business, which make our products less competitive. Fast and efficient infrastructure, by contrast, helps get our goods to market sooner.

The current Government has given over its transport policy to the ideological Green Party, and have removed the previous focus on reducing congestion as a transport priority. This has led to the Government cancelling a large number of important roading projects to be replaced, eventually, by expensive projects like a slow tram down Dominion Road in Auckland.



National understands the importance of using innovative funding mechanisms like public-private partnerships and the use of private capital. Innovative funding mechanisms are effective at getting quality long-lasting infrastructure built more quickly. It makes sense to use private capital to stretch New Zealand's limited capital budget so we get more built.

The Mixed Ownership Model was very successful at freeing up capital for the Government to invest in other areas such as schools, hospitals and broadband, while also improving the returns on the original assets.

National is committed to reducing the infrastructure backlog and ensuring priority projects are funded appropriately for the future pipeline. It is important for the confidence of the sector that there is a clearly outlined infrastructure pipeline and Governments refrain from cancelling or delaying much-needed and well planned projects, like the Roads of National Significance. That is why we are supporting the Government's Infrastructure Commission in good faith.

**It makes sense to use private capital to stretch New Zealand's limited capital budget so we get more built.**

New Zealand also needs to reform our planning laws to reduce barriers and costs to infrastructure development, which we will address by overhauling the RMA. National will overhaul the RMA with the aim of making it more efficient and predictable. This will mean that rules are clear and well defined, outcomes adequately balance costs and benefits and timeframes are short and consistent.

It is also important that we use existing infrastructure more efficiently. Our roading network is, in some places, too congested. National is open to exploring pricing mechanisms that will help to efficiently manage the flow of traffic and are revenue neutral.

National knows how important it is that all parts of our nation can get connected, keep working and access quality internet speeds and communications for their companies and families. The previous National Government invested heavily in ultra-fast broadband to ensure New Zealanders and their business had access to the modern digital highways they need to compete.

National will release our Building New Zealand Discussion Document later this year with a more detailed outline of our positive infrastructure plan for the short, medium and long term.

### We want your thoughts on the following:

- What is the best model to ensure public sector infrastructure, including schools and hospitals, are maintained and upgraded on time and in a cost-effective manner?
- National is considering new approaches to infrastructure funding and procurement ranging from commercial revenue schemes, partnerships with the private sector and capital injections from general Government spending.
- National supports the Infrastructure Commission as a way to achieve long-term certainty in the infrastructure pipeline, however we believe it needs to be properly resourced if it is to have any meaningful effect.
- National proposes establishing a new Water Infrastructure Fund to assist city and rural councils to improve water quality, supporting more sustainable agriculture and resilience to climate change.
- National is open to exploring pricing mechanisms that will help to efficiently manage the flow of traffic and is revenue neutral.

## Strengthening regional New Zealand

National will always back the regions, not with slush funds and grandstanding, but with proven economic policies supporting local communities, investing in the right infrastructure, backing our productive sector and allowing regional businesses to get on with it.

Our regions need to be better connected to export markets, to towns and cities and to each other. They need access to labour and a skilled workforce. Our regional economy also needs to be able to utilise natural resources otherwise they risk losing their natural advantages.

We need to be building highways to connect our regions, providing support to maximise the value of tourism, aggressively seeking new export markets, and a Government committed to working with local communities to deliver for all of our regions.

Infrastructure pressure is a significant issue in certain parts of regional New Zealand. This is especially true when it comes to managing tourism. Every year, millions of people visit our regions, creating jobs, supporting local communities and growing incomes across New Zealand.

International tourists contribute \$1.7 billion in GST, which is collected by central government. This allowed the previous National Government to invest more than \$100 million into the Tourism Infrastructure Fund and the Tourism Growth Partnership to develop tourism-related infrastructure and activities that support regional New Zealand. However, there is more work that can be done. Regions with high levels of tourism and low rating bases still find it difficult to fund tourism related infrastructure without placing an unfair burden on ratepayers.

### We want your thoughts on the following:

- What other trade opportunities should New Zealand be seeking that benefit regional New Zealand?
- How can we lessen the burden upon ratepayers to meet the cost of tourism related infrastructure without increasing taxes?
- Is the sustainability of tourism infrastructure funding important and what role can the continuation of National's Tourism Growth Partnership and the Tourism Infrastructure Fund play in this?
- How do we build social licence in our regions for tourism, which delivers more jobs and opportunities?

- National will always back the regions, not with slush funds and grandstanding, but with proven economic policies supporting local communities, investing in the right infrastructure, backing our productive sector and allowing regional businesses to get on with it.
- National believes all regions can share in the economic benefits of tourism.
- National will set an ambitious trade agenda to seek new export markets for our regions.

## A growing and productive Māori economy

A strong, growing Māori economy enables higher living standards for Māori. Our focus will be to support sustainable increases in incomes for Māori in order to contribute to higher standards of living for whānau.

The Māori economy has a long history of exporting, in particular in the primary sector. Māori have large stakes in the fishing, forestry, sheep and beef, dairy, honey and kiwifruit industries. It is therefore crucial that New Zealand aggressively pursues more trade deals that reduce tariffs and other trade barriers. Fewer trade barriers opens up new export markets for the Māori economy, which would substantially lift incomes for Māori.

When last in Government, National introduced and progressed the Te Ture Whenua Māori Bill, which would have unlocked the economic potential of approximately 1.4 million hectares of land, or around 5 per cent of New Zealand's land mass, and which would add hundreds of millions of dollars of value for Māori landowners and their whānau. The Bill removes unnecessary bureaucracy that impedes decision making and encumbers unutilised land with unfair rates. The reforms were done in consultation with Māori every step of the way. The unfortunate politicisation of the hard work undertaken to reform the Act by the current Government has the reform put on hold.

- National will continue to progress Māori land reform which improves the utilisation of Māori land at the same time as ensuring Māori interests are recognised.



## A lower cost of living for all New Zealanders

While a successful economy grows household incomes, we also need to pay attention to reducing or stabilising everyday household costs. If costs are growing faster than incomes then New Zealanders are going backwards. To keep costs down we need more competition, smart regulation, less tax and greater market transparency.

### More affordable housing

National recognises there are a number of reasons that have contributed to New Zealand's relatively high house prices compared to other OECD countries. At a high-level, the problem is simple: New Zealand has not built enough houses to keep up with demand. When supply does not keep up with demand, prices will rise.

One of the reasons New Zealand has been unable to build enough houses is due to the 798 page RMA. RMA reform generally focuses on balancing development and environmental issues. National believes the RMA has failed on both fronts.

It is near impossible to get a resource consent within the statutory deadline of 20 working days and the cost of the consenting process can be excessive. Where councils change rules

to address issues such as affordable housing, consenting processes can be further delayed.

The predictability of the RMA process is also poor. In the event that an application is challenged, proceedings can drag out for years with the ultimate outcome hard to predict. A more detailed outline of our RMA reform plan will be a core feature of National's Building New Zealand Discussion Document released later this year.

The largest driver of rising house prices in New Zealand has been rapid land price growth. Rising land prices are largely the result of an overly restrictive supply of land and the failure to build the infrastructure required to support new housing developments. It is important that local councils have the right incentives to encourage new housing development.

More will be discussed in the Building New Zealand Discussion Document later this year.

National also has an absolute focus on reducing the cost of building new houses. We know that regulations and New Zealand's unique standards play a large role in the cost of imported building products. These need to be tested.

**We want your thoughts on the following:**

- Does the existing regulation of building materials strike the right balance between reducing the cost of such materials and ensuring a safe housing stock?

- National will overhaul the RMA as a priority with the aim of making it more efficient and predictable. This will mean that rules are clear and well defined, outcomes adequately balance costs and benefits and timeframes are short and consistent.

## More affordable rents

Rents have been rising rapidly in recent times. A third of New Zealanders rent and government policy has contributed to the increasing cost. Badly designed regulations that impose unnecessary costs on landlords are being passed on to tenants.

National understands the fine balance between ensuring sufficient regulation is in place to protect tenants and too much regulation that drives up rents unnecessarily. It is not compulsory for people to rent their properties. If government regulation makes it too expensive and difficult

then rental properties will be pulled from the market, inevitably forcing rents upward.

The Government has significantly increased taxes on rentals by extending the brightline test from two years to five years and ring fencing losses on rental properties. They have also proposed significant increases in regulations on rental property owners, such as removing their rights to evict tenants. These changes have driven up rents as the higher costs on landlords are inevitably passed on to tenants. Extending the brightline test to five years will capture mum and dad investors who were not the target of the original policy.

- National will return the brightline test to two years and remove ring-fencing of losses.

**We want your thoughts on the following:**

- Is the tenancy tribunal efficiently and fairly addressing disputes between tenants and landlords?
- Does existing legislation strike the right balance between protecting tenants and imposing costs on landlords and tenants?
- What are the major regulatory costs for landlords and are they unnecessarily driving up rents?

## More affordable petrol prices

The price of petrol affects how much money many New Zealanders have left in their back pockets every week. For many New Zealand families petrol is an unavoidable cost as they need it to get to work, drop the kids at school or pick up the groceries. Petrol also affects the price of a range of other products as the cost of transport affects the price of groceries and any other products that require freight.

The price of petrol is driven primarily by three factors: the global oil price, the exchange rate and the level of tax. The global oil price is obviously out of New Zealand's control and the exchange rate is only indirectly affected by government policy. However, the level of petrol tax is entirely the responsibility of Government.

The Government has introduced an 11.5 cent Regional Fuel Tax in Auckland and legislated for 12 cents of petrol tax increases across New Zealand, while cancelling or delaying a dozen major transport projects and instead prioritising a tram down Dominion Road in Auckland.

Our roading network is, in some places, too congested. National is open to exploring pricing mechanisms that will help to efficiently manage the flow of traffic and is revenue neutral.

- National will repeal the Regional Fuel Tax in Auckland.
- National will not increase petrol excise taxes during our first term.
- National believes taxes on road users should be spent for the benefit of road users.
- National is open to exploring pricing mechanisms that will help to efficiently manage the flow of traffic and is revenue neutral.

### We want your thoughts on the following:

- What regulatory barriers are preventing greater competition in the fuel market across New Zealand?



## More affordable and secure energy supply

The cost of electricity is another key, unavoidable cost for New Zealand families. National knows how essential it is that the electricity market is competitive so the cost of electricity is low.

The Government has made the decision to ban new offshore oil and gas exploration and all new onshore exploration outside of Taranaki. Ultimately, the ban will reduce the supply of natural gas in New Zealand, which is an important source of electricity as it can be turned on when the hydro lakes are low, the wind isn't blowing and the sun isn't shining.

National wants to see carbon emissions reduce in the most efficient way possible. New Zealand already produces more than 80 per cent of our electricity from renewables, one of the highest in the world. The Government still has a 100 per cent renewable target. The Interim Climate Change Committee suggests that this will lead to an overinvestment in electricity generation and estimate it could increase electricity costs by \$300 a year for the average household.

### We want your thoughts on the following:

- Is the regulation of our electricity sector fit for purpose and is there sufficient competition to drive down the price of electricity?
- National will repeal the Government's ban on new oil and gas exploration.
- National is supportive of greater investment in renewable energy that doesn't compromise energy security or raise prices.



## Fit for purpose regulation

Over a number of years New Zealand has developed good processes to encourage discipline around the spending of taxpayer money. This Government has lacked that discipline – such as the loose spending we see from the Provincial Growth Fund – but National can be relied upon to be disciplined spenders.

We need to translate expected levels of fiscal discipline to regulation. This requires meaningful cost-benefit analysis of new regulations and political discipline. When Government imposes regulatory costs on New Zealanders it should be held to account. Most regulatory costs are indirect, such as the costs imposed on businesses and landlords.

**We need to translate expected levels of fiscal discipline to regulation. This requires meaningful cost-benefit analysis of new regulations and political discipline.**

We also need to recognise that many regulations have built up over the years to protect and preserve the interests of incumbent market players or highly risk-averse Government or Council officials. We need to regularly test those assumptions, remove barriers to new entrants entering markets and streamline unnecessarily slow and expensive bureaucratic procedures.

It is also important to allow for new technologies to get established, and sometimes to disrupt old patterns. A good example is the previous National Government's swift establishment of a regulatory regime for New Zealand's growing space industry.



- National will eliminate two old regulations for every new regulation we introduce.
- National will repeal 100 regulations in our first six months in office.
- National proposes requiring quality cost-benefit analysis for any major new regulation.
- National will require future Governments and regulatory agencies to undertake at least one regulatory simplification process every three years that looks at reducing the complexity and number of regulations.
- National will look at ways to reduce the compliance costs of Anti-Money Laundering regulations while continuing to meet our international obligations.

## More competition to achieve lower costs

National understands that the most effective mechanism to keeping the cost of living low is competition. New Zealand is a small, isolated economy and some of our crucial domestic markets are not as competitive as we would like.

The best thing a government can do to improve competition is relentlessly remove barriers to new competitors entering the market. A Government focused on reducing the cost of living needs to deal with regulations that unfairly favour incumbents.

We also need to ensure consumers are well-informed, have the ability to seek out the lowest prices and switch between suppliers. That means ensuring search costs are low and there are fewer barriers preventing consumers to switch suppliers, such as banks.

Other major barriers to competition include unnecessary licensing regimes that restrict entry and drive up prices. Licensing regimes should be used only when absolutely needed. Legislation establishing professional bodies should make sure there is a competitive market for the service and an effective complaints and resolution mechanism.

The Commerce Commission has a critical role in regulating markets that are not fully competitive. The Commerce Commission regulates vital industries such as electricity lines, airports, telecommunications and dairy. It is essential that the Commerce Commission enforces competition appropriately to produce the best outcomes for consumers.

The current structure of the Commerce Commission blends the governance and executive functions. Some would argue that shifting to a model, like we have with the Financial Markets Authority (FMA), with a non-executive board supervising the executive, will lead to better results. We are open to that discussion.



### We want your thoughts on the following:

- How can the Government best remove barriers to competition in uncompetitive markets?
- Should National look at restructuring the Commerce Commission to a Board of Governors model that moves core executive functions to dedicated staff while focusing commissioners into a governance role?
- Should we require bank account number portability to lower the cost of switching banks and increase competition between banks?



## First 100 Day Committments

### In our first 100 days National will:

- Legislate to index tax thresholds to the cost of living
- Progress work on overhauling the RMA
- Require all Government departments and Government agencies to pay their contractors on time and within 30 days
- Establish a 'Small Business Payments Guarantee' – a voluntary initiative committing large New Zealand businesses and not-for-profits to ensure New Zealand small businesses are paid on time and within 30 days
- Progress work on reducing excessive and unnecessary regulations
- Introduce overseas investment changes to encourage direct investment in productive assets
- Repeal the Regional Fuel Tax
- Repeal the ban on oil and gas exploration
- Introduce more flexible employment law changes including repealing the Government's union-friendly changes
- Reintroduce targets in health, education and law and order
- Remove the ability for Governments to give preferential pay agreements to union members during public sector wage negotiations

# National's Economic Team

## 2019



**Simon Bridges**  
National Party Leader



**Paul Goldsmith**  
Spokesperson for Finance  
& Infrastructure



**Judith Collins**  
Spokesperson for Housing  
& Urban Development,  
Planning (RMA Reform)



**Todd McClay**  
Spokesperson for Economic  
Development, Trade,  
Tourism and Workplace  
Relations and Safety



**Michael Woodhouse**  
Associate Spokesperson  
for Finance



**Jacqui Dean**  
Spokesperson for Local  
Government and Small  
Business



**Melissa Lee**  
Spokesperson for  
Broadcasting,  
Communications & Digital  
Media



**Chris Bishop**  
Spokesperson for Regional  
Development and Transport



**David Carter**  
Spokesperson for State  
Owned Enterprises



**David Bennett**  
Spokesperson for Land  
Information & Associate  
Infrastructure



**Jonathan Young**  
Spokesperson for Energy  
& Resources, Regional  
Development (North Island)



**Brett Hudson**  
Spokesperson for  
Commerce and Consumer  
Affairs

# National's Economic Team

## 2019

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**Stuart Smith**  
Spokesperson for Immigration

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**Shane Reti**  
Spokesperson for Tertiary Education, Skills & Employment

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**Parmjeet Parmar**  
Spokesperson for Research, Science & Innovation & Associate Economic Development

---



**Nicky Wagner**  
Spokesperson for Arts, Culture & Heritage

---



**Andrew Bayly**  
Spokesperson for Revenue, & Associate Finance

---



**Jo Hayes**  
Spokesperson for Māori Development

---



**Andrew Falloon**  
Spokesperson for Regional Development (South Island)

---



**Harete Hipango**  
Spokesperson for Māori Tourism

---



**Dan Bidois**  
Spokesperson for Future of Work & Associate Workplace Relations and Safety

---



**Agnes Loheni**  
Associate Spokesperson for Small Business

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# Feedback

## National's vision

Please fill out the below (feel free to add any additional comments) and post them to:

### **FREEPOST PARLIAMENT**

**Hon Paul Goldsmith**  
**Parliament Buildings**  
**Wellington**

Post to Parliament is free so you don't need to add a stamp. You can also visit [national.org.nz](http://national.org.nz) for an online version.

## Responsible economic management delivering world-class public services

### Low, fair and efficient taxes

Agree Disagree

1. National supports a broad-base, low-rate tax system.
2. National will index tax thresholds to the cost of living.
3. National will not introduce any new taxes during our first term.

<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>

### We want your thoughts on the following:

- Is there merit in allowing savers to deduct the inflation component from their interest income to help address New Zealand's low level of private savings and reduce the high effective tax rates on savings?
- Is New Zealand's company tax rate becoming uncompetitive?
- Is there merit in introducing accelerated depreciation for business assets?
- Is there merit in targeted tax relief for small businesses, like exists in Australia?

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### Effective, targeted spending

Agree Disagree

4. National will reintroduce targets in health, education and law and order as they have a proven track record of delivering better outcomes for New Zealand families.
5. National will continue the proven Social Investment approach to Government spending, which this Government has largely abandoned.

<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>

## Effective, targeted spending

Agree

Disagree

6. National will consider amending the Public Finance Act to improve accountability and reporting of results of all Government spending as part of annual processes.
7. National will ensure the Treasury has a greater focus on providing sound advice on the effectiveness of Government spending, identifying wasteful spending and driving higher productivity in the public sector.

☐☐☐☐

## We want your thoughts on the following:

- Were the Better Public Service Targets appropriate or should some be replaced with other measures?

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## Responsible, sustainable debt levels

Agree

Disagree

8. National believes the Government should reduce net debt when the economy is growing so there is capacity to borrow when times are tough.
9. National believes the Government should aim for balanced budgets over time so surpluses during the good times offset deficits during the bad times.
10. National believes it makes sense to use long-term debt financing to fund infrastructure that benefits future generations.

☐☐☐☐☐☐


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## Sustainable superannuation

Agree

Disagree

11. National will ensure the superannuation scheme remains sustainable by progressively increasing the age of entitlement from 65 to 67, starting in 2037.
12. National proposes to increase the required residency for a New Zealand citizen or permanent resident from 10 to 20 years.
13. National proposes allowing employer contributions to continue beyond the age of 65 if the individual chooses to remain in the workforce.

☐☐☐☐☐☐

## We want your thoughts on the following:

- Should we consider changing the default settings on KiwiSaver funds from 'conservative' to either 'balanced' or 'growth' funds?
- Should we consider requiring KiwiSaver providers to send personalised statement twice a year showing fees, returns and the value of their KiwiSaver?

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## A more productive and competitive economy that lifts household incomes

### Increasing the flow of investment

	Agree	Disagree
14. National is committed to repealing restrictions the Government has introduced on the flow of foreign capital into New Zealand businesses.	<input type="checkbox"/>	<input type="checkbox"/>
15. National will require all Government departments and Government agencies to pay their contractors on time and within 30 days.	<input type="checkbox"/>	<input type="checkbox"/>
16. National will establish a 'Small Business Payments Guarantee' – a voluntary initiative committing large New Zealand businesses and not-for-profits to ensure New Zealand small businesses are paid on time and within 30 days.	<input type="checkbox"/>	<input type="checkbox"/>
17. National will consider fully the findings and recommendations of Capital Markets Taskforce 2029.	<input type="checkbox"/>	<input type="checkbox"/>

### We want your thoughts on the following:

- Should we amend the Overseas Investment Act to encourage greater investment in New Zealand businesses and productive assets?
  - What changes can we make to improve the timeliness of Overseas Investment Office decisions?
  - Should there be a level playing field for foreign investment in forestry and farming?
  - Does the current regulatory framework provide sufficient safeguards and certainty to those who invest in New Zealand in good faith that the Government will not make decisions without an opportunity for input on those decisions?
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- 
- 

### A skilled and willing workforce

	Agree	Disagree
18. National will repeal recent Government changes made to the Employment Relations Act including reinstating 90-day trial periods, to provide flexibility for employers and workers to navigate the modern workplace.	<input type="checkbox"/>	<input type="checkbox"/>
19. National will remove the ability for Governments to give preferential pay agreements to union members during public sector wage negotiations.	<input type="checkbox"/>	<input type="checkbox"/>

### We want your thoughts on the following:

- What should we do to encourage and incentivise businesses to take the risk of employing new staff?
- Do you support youth rates; if so, what is an appropriate level for youth rates?
- Do you support a framework being set up in which non-union organisations can represent workers?
- Should we introduce a straightforward disputes process for employers and workers that is efficient, timely and low cost?
- What could be done to help those who wish to work later in life remain in the workforce?

- What should we do to incentivise people to get off of welfare and into work?
- Is the balance right between encouraging university education relative to trades-training and apprenticeships?

### Investing in innovation and the creative sector

Agree Disagree

- |   |                          |                          |
|---|--------------------------|--------------------------|
| 20. National proposes updating restrictions on biotechnologies in consultation with New Zealanders to bring them into line with the latest science.                             | <input type="checkbox"/> | <input type="checkbox"/> |
| 21. National proposes a new Biotechnology and Innovation Fund to assist in the development of biotechnology, precision agriculture and other innovations in the primary sector. | <input type="checkbox"/> | <input type="checkbox"/> |
| 22. National will work to ensure at least one New Zealand University is ranked in the top 50 worldwide.   | <input type="checkbox"/> | <input type="checkbox"/> |

### We want your thoughts on the following:

- What could be done to help improve the commercialisation of R&D?
- Should National keep the R&D tax credit model, notwithstanding its imperfections, to ensure consistency and certainty for the sector?
- Should National establish a Creative and Technical Industries Industry Training Organisation (ITO)?
- Should National establish small business support hubs for creative sector businesses?

### Allowing access to our natural resources

Agree Disagree

- |  |                          |                          |
|--|--------------------------|--------------------------|
| 23. National will reverse the Government's decision to ban new offshore oil and gas exploration, helping to ensure energy self-sufficiency.  | <input type="checkbox"/> | <input type="checkbox"/> |
| 24. National will rewrite the Resource Management Act (RMA) and look to advance Exclusive Economic Zone (EEZ) reform to enable carbon capture and storage with the intention of keeping more carbon in the ground. | <input type="checkbox"/> | <input type="checkbox"/> |
| 25. National opposes banning mining on low-value land.   | <input type="checkbox"/> | <input type="checkbox"/> |
| 26. National will develop a more efficient process for allocating marine space alongside our RMA reform.   | <input type="checkbox"/> | <input type="checkbox"/> |

### Aggressively expanding access to global markets

Agree Disagree

- |  |                          |                          |
|--|--------------------------|--------------------------|
| 27. National proposes to seek a free trade agreement with the United States as a core priority of NZ's trade agenda.             | <input type="checkbox"/> | <input type="checkbox"/> |
| 28. National proposes to commit to doubling our two way trade with China from \$30 billion to \$60 billion over the next decade. | <input type="checkbox"/> | <input type="checkbox"/> |
| 29. National will aggressively pursue free trade agreements in new markets.  | <input type="checkbox"/> | <input type="checkbox"/> |

#### We want your thoughts on the following:

- Should we consider eliminating all remaining tariffs on imports?

### Investing in quality infrastructure

Agree Disagree

- |   |                          |                          |
|---|--------------------------|--------------------------|
| 30. National is considering new approaches to infrastructure funding and procurement ranging from commercial revenue schemes, partnerships with the private sector and capital injections from general Government spending. | <input type="checkbox"/> | <input type="checkbox"/> |
| 31. National supports the Infrastructure Commission as a way to achieve long-term certainty in the infrastructure pipeline, however we believe it needs to be properly resourced if it is to have any meaningful effect.    | <input type="checkbox"/> | <input type="checkbox"/> |
| 32. National proposes establishing a new Water Infrastructure Fund to assist city and rural councils to improve water quality, supporting more sustainable agriculture and resilience to climate change.                    | <input type="checkbox"/> | <input type="checkbox"/> |
| 33. National is open to exploring pricing mechanisms that will help to efficiently manage the flow of traffic and is revenue neutral.   | <input type="checkbox"/> | <input type="checkbox"/> |

#### We want your thoughts on the following:

- What is the best model to ensure public sector infrastructure, including schools and hospitals, are maintained and upgraded on time and in a cost-effective manner?

### Strengthening regional New Zealand

Agree Disagree

- |   |                          |                          |
|---|--------------------------|--------------------------|
| 34. National will always back the regions, not with slush funds and grandstanding, but with proven economic policies supporting local communities, investing in the right infrastructure, backing our productive sector and allowing regional businesses to get on with it. | <input type="checkbox"/> | <input type="checkbox"/> |
| 35. National believes all regions can share in the economic benefits of tourism.  | <input type="checkbox"/> | <input type="checkbox"/> |

## Strengthening regional New Zealand

Agree

Disagree

36. National will set an ambitious trade agenda to seek new export markets for our regions.

☐☐

## We want your thoughts on the following:

- What other trade opportunities should New Zealand be seeking that benefit regional New Zealand?
- How best can we lessen the burden upon ratepayers to meet the cost of tourism related infrastructure without increasing taxes?
- Is the sustainability of tourism infrastructure funding important and what role can the continuation of National's Tourism Growth Partnership and the Tourism Infrastructure Fund play in this?
- How do we build social licence in our regions for tourism, which delivers more jobs and opportunities?

## A growing and productive Māori economy

Agree

Disagree

37. National will continue to progress Māori land reform which improves the utilisation of Māori land at the same time as ensuring Māori interests are recognised.

☐☐

## A lower cost of living for all New Zealanders

## More affordable housing

Agree

Disagree

38. National will overhaul the RMA as a priority with the aim of making it more efficient and predictable. This will mean that rules are clear and well defined, outcomes adequately balance costs and benefits and timeframes are short and consistent.

☐☐

## We want your thoughts on the following:

- Does the existing regulation of building materials strike the right balance between reducing the cost of such materials and ensuring a safe housing stock?

## More affordable rents

Agree

Disagree

39. National will return the brightline test to two years and remove ring-fencing of losses.

☐☐

## More affordable rents

### We want your thoughts on the following:

- Is the tenancy tribunal efficiently and fairly addressing disputes between tenants and landlords?
- Does existing legislation strike the right balance between protecting tenants and imposing costs on landlords and tenants?
- What are the major regulatory costs for landlords and are they are unnecessarily driving up rents?

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## More affordable petrol prices

Agree Disagree

- |   |                          |                          |
|---|--------------------------|--------------------------|
| 40. National will repeal the Regional Fuel Tax in Auckland.   | <input type="checkbox"/> | <input type="checkbox"/> |
| 41. National will not increase petrol excise taxes during our first term.   | <input type="checkbox"/> | <input type="checkbox"/> |
| 42. National believes taxes on road users should be spent for the benefit of road users.  | <input type="checkbox"/> | <input type="checkbox"/> |
| 43. National is open to exploring pricing mechanisms that will help to efficiently manage the flow of traffic and is revenue neutral. | <input type="checkbox"/> | <input type="checkbox"/> |

### We want your thoughts on the following:

- What regulatory barriers are preventing greater competition in the fuel market across New Zealand?

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## More affordable and secure energy supply

Agree Disagree

- |   |                          |                          |
|---|--------------------------|--------------------------|
| 44. National will repeal the Government's ban on new oil and gas exploration.   | <input type="checkbox"/> | <input type="checkbox"/> |
| 45. National is supportive of greater investment in renewable energy that doesn't compromise energy security or raise prices. | <input type="checkbox"/> | <input type="checkbox"/> |

### We want your thoughts on the following:

- Is the regulation of our electricity sector fit for purpose and is there sufficient competition to drive down the price of electricity?

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Fit for purpose regulation	Agree	Disagree
46. National will eliminate two old regulations for every new regulation we introduce.	<input type="checkbox"/>	<input type="checkbox"/>
47. National will repeal 100 regulations in our first six months of office.	<input type="checkbox"/>	<input type="checkbox"/>
48. National proposes requiring quality cost-benefit analysis for any major new regulation.	<input type="checkbox"/>	<input type="checkbox"/>
49. National will require future Governments and regulatory agencies to undertake at least one regulatory simplification process every three years that looks at reducing the complexity and number of regulations.	<input type="checkbox"/>	<input type="checkbox"/>
50. National will look at ways to reduce the compliance costs of Anti-Money Laundering regulations while continuing to meet our international obligations.	<input type="checkbox"/>	<input type="checkbox"/>

More competition to achieve lower costs

We want your thoughts on the following:

- How can the Government best remove barriers to competition in uncompetitive markets?
  - Should National look at restructuring the Commerce Commission to a Board of Governors Model that moves core executive functions to dedicated staff while focusing commissioners into a governance role?
  - Should we require bank account number portability to lower the cost of switching banks and increase competition between banks?
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Comments:





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